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Congress of the United States
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Washington, DC 20515

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October 4, 2007

Mr. Ottón Solís
Chairman, Political Commission
Citizens Action Party
Sede Central
San Pedro de Montes de Oca
San Jose, Costa Rica

Dear Mr. Solís:

As you may be aware, the Bush administration's cabinet-level trade representative Susan C. Schwab today made the latest in a series of misleading public remarks from the administration about Costa Rica, the Caribbean Basin Initiative (CBI), and the Central America Free Trade Agreement (CAFTA). This follows nearly two years of similarly misleading remarks by the Bush administration's ambassador to Costa Rica.

As the attached letter, from the people who – unlike President Bush – are the ones actually in charge of making trade policy, should make clear, Costa Rica's trade preferences will almost certainly continue if Costa Ricans decide not to ratify CAFTA. This is their sovereign decision to make and not for my congressional colleagues or the Bush administration to decide. Also note that under the laws of the United States, the U.S. President does not have the power to cancel CBI benefits to Costa Rica if Costa Rica rejects CAFTA.

In 1983, 1990 and again in 2000, both parties and chambers of Congress gave their overwhelming support to Costa Rica's trade preferences, most of which were made permanent in the Customs and Trade Act of 1990. And just this June, Congress with my support overwhelmingly approved trade preference extensions for the Andean countries, including two countries that had rejected a NAFTA-CAFTA-style trade pact with the United States.

Nearly two dozen countries including Costa Rica are in CBI, and Congress looks forward to renewing the relatively small percentage of CBI-add-on preferences that require renewal next year, as we have in the past.

There is a growing sense in Congress and among the American public that threatening our neighbors to our South with reprisals for seeking their own economic path after a generation of lost income growth is a strategy that has largely backfired and undermined the U.S. reputation in the region. The Bush administration's comments today are unfortunately just the latest misleading remarks in this dishonorable tradition.

Sincerely,



Michael H. Michaud
Member of Congress
Co-Chair, House Trade Working Group